



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION

P.O. BOX 2120

RICHMOND, VA 23218-2120

August 10, 2007

Dear Division Superintendents:

We would like to inform you that the Centers for Medicare and Medicaid Services (CMS) approved two Medicaid State Plan Amendments (SPA) on June 28, 2007.

The changes to the Medicaid State Plan effective July 1, 2003 include reimbursement for the following additional services that are in the Individualized Education Program (IEP):

- Audiology
- Personal Care Assistants
- Medical Evaluations
- Social Workers providing Psychological Services

In addition to these services, there is the elimination of physician orders for physical therapy, occupational therapy, and speech-language pathology. The practitioner of the healing arts is now a qualified provider to order the evaluations and write the plan of care within his or her own discipline.

Effective July 1, 2006, the Medicaid State Plan covers reimbursement for transportation services in the IEP. CMS also approved the cost-based reimbursement for medical services effective July 1, 2006.

The Department of Medical Assistance Services (DMAS) and the Virginia Department of Education (VDOE) have worked with school divisions during the school year to be ready to implement cost-based reimbursement when approved. CMS is still reviewing the revisions to the time study to be used in both the administrative claiming and the cost-based reimbursement for medical services, which may result in time study changes beginning in October 2007.

School divisions should expect additional communication with plans and guidance to implement these changes approved by CMS. Information will also be posted on the VDOE Web site at

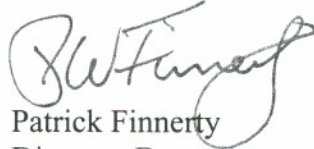
<http://www.doe.virginia.gov/VDOE/Instruction/Sped/medicaidmain.html>. Training regarding these changes will be provided at the Annual Medicaid and Schools Training

on October 2 – 3, 2007, at the Charlottesville DoubleTree Hotel. The superintendent's memorandum with these details was distributed August 3, 2007.

Sincerely,



Billy K. Cannaday, Jr.
Superintendent of Public Instruction



Patrick Finnerty
Director, Department of Medical
Assistance Services

BKCIr/PF/AE